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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re : **Chapter 11 Case No.**
: :
LEHMAN BROTHERS HOLDINGS, INC., et al., : **08-13555 (JMP)**
: :
Debtors. : **(Jointly Administered)**
: :

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**RESPONSE OF KEYBANK NATIONAL ASSOCIATION WITH RESPECT TO CLAIM
NOS. 67462, 28820, 67375, 28821, 18836 AND 18837 OPPOSING DEBTORS'
ONE HUNDRED THIRTY-SEVENTH OMNIBUS OBJECTION TO
CLAIMS (VALUED DERIVATIVE CLAIMS)**

KeyBank National Association (“KeyBank”) files this response (the “Response”) to the “Debtors’ One Hundred Thirty-Seventh Omnibus Objection to Claims (Valued Derivative Claims)” [Docket No. 16860] (the “Omnibus Objection”) on behalf of itself and OCM Opportunities Fund VIIb Delaware, L.P., Oaktree Opportunities Fund VIII Delaware, L.P., Oaktree Huntington Investment Fund L.P., Oaktree Opportunities Fund VIII (Parallel 2), L.P. and OCM Opportunities Fund VII Delaware LP (collectively, the “Oaktree Entities”) and GFA I LLC (“GFA” and together with the Oaktree Entities, the “Claimants”), and respectfully states as follows:

1. KeyBank was the original holder of derivative contract claims against Lehman Brothers Holdings, Inc. (“LBHI”) and Lehman Brothers Special Financing, Inc. (“LBSF,” and together with LBHI, the “Debtors”), each of whom is a debtor in the above-captioned cases. On

November 6, 2008, KeyBank filed Proofs of Claim designated as Claim No. 537 against LBHI (the “LBHI Claim”) and Claim No. 538 against LBSF (the “LBSF Claim,” and together with the LBHI Claim, the “Original Claims”). The Original Claims were assigned, in whole or in part, and are now held by the Claimants under amended Claim Nos. 67462, 28820, 67375, 28821, 18836 and 18837 (the “Claims”).¹ Under the applicable assignment agreements related to the Original Claims and Claims, subject to certain conditions, KeyBank is currently the authorized party to appear and defend the Claims and oppose the Omnibus Objection insofar as it relates to the Claims.

2. On May 16, 2011 (the “Objection Date”), the Debtors filed the Omnibus Objection. The Omnibus Objection seeks to reduce the allowed amount of the Claims by \$22,753,405.50, in the aggregate, and relies solely on the unsupported allegation “that the amounts listed on the proofs of claim are greater than the fair, accurate, and reasonable values determined by the Debtors after a review of the claimant’s supporting documentation and the Debtors’ books and records...” Omnibus Objection at ¶2.

3. The Debtors offer no support or evidence of any kind for their objection to the Claims. The objection fails to raise or identify any issue of law or fact to call into question the validity, enforceability or amount of the Claims that are supported by hundreds of pages of documents filed with the Original Claims and the questionnaire responses submitted separately to the Debtors in accordance with the Court’s Order Pursuant to Section 502(b)(9) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(3) Establishing the Deadline for Filing Proofs of

¹ On the Objection Date, CVI GVF (Lux) Master S.A.R.L. (“CVI”) held Claim Nos. 67462 and 28820 against LBHI and LBSF, respectively, each in the amount of \$30,489,845.00. On June 1, 2011, four of the Oaktree Entities (more specifically, OCM Opportunities Fund VIIb Delaware, L.P., Oaktree Opportunities Fund VIII Delaware, L.P., Oaktree Huntington Investment Fund L.P. and Oaktree Opportunities Fund VIII (Parallel 2), L.P.) each acquired a portion of the Claim Nos. 67462 and 28820. CVI no longer holds any interest in the Claims. In addition, GFA holds Claim Nos. 67375 and 28821 against LBHI and LBSF, respectively, each in the amount of \$30,489,845.00 and OCM Opportunities Fund VII Delaware LP holds Claim Nos. 18836 and 18837 against LBHI and LBSF, respectively, each in the amount of \$30,489,845.00.

Claim, Approving the Form and Manner of Notice Thereof and Approving the Proof of Claim Form [Docket No. 4271].² In fact, the Debtors do not even attempt to proffer an alternative calculation of the Claims to support the reduced amounts listed in the Omnibus Objection.

4. The Omnibus Objection is meritless and, as a matter of law, fails to rebut in any respect the *prima facie* case established by the Original Claims (and subsequent amended Claims). *See* Rule 3001(f) of the Federal Rules of Bankruptcy Procedure. The Original Claims (and subsequent amended Claims) are sufficient to support entitlement to allowance on their face and nothing contained in the Omnibus Objection provides any basis for the Court to reduce or disallow the Claims. The Court should therefore overrule the Omnibus Objection insofar as it relates to the Claims and enter an order allowing the Claims in the amounts asserted therein.

5. KeyBank and the Claimants reserve all of their rights with respect to the Claims, including, without limitation, the right to supplement this response in connection with any further objection of the Debtors or otherwise.

² The Claims are incorporated herein by reference.

WHEREFORE, KeyBank and the Claimants respectfully request that the Court overrule the Omnibus Objection as it relates to the Claims in its entirety and enter an order allowing the Claims in the amounts asserted therein.

Dated: June 14, 2011 New York, New York	Respectfully Submitted, <u>/s/ Stephen D. Lerner</u> Stephen D. Lerner (2067841) Squire, Sanders & Dempsey (US) LLP 30 Rockefeller Plaza New York, New York 10112 Telephone: (212) 872-9800 Facsimile: (212) 872-9815 Email: Stephen.lerner@ssd.com <i>Attorneys for KeyBank National Association, on behalf of KeyBank National Association and Claimants OCM Opportunities Fund VIIb Delaware, L.P., Oaktree Opportunities Fund VIII Delaware, L.P., Oaktree Huntington Investment Fund L.P., Oaktree Opportunities Fund VIII (Parallel 2), L.P., OCM Opportunities Fund VII Delaware LP and GFA I LLC</i>
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